

ORDINANCE NO. 04-15

An ordinance authorizing the acquisition and construction by the Town of Westfield, Indiana, of certain improvements and extensions to its sewage works; authorizing the issuance of Sewage Works Revenue Bonds of 2004 for such purpose; providing for the collection, segregation and distribution of the revenues of the sewage works; and other related matters

WHEREAS, the Town of Westfield, Indiana (the "Town") has heretofore established, constructed and financed a municipal sewage works and now owns and operates the sewage works pursuant to IC 36-9-23 (the "Act"), and other applicable laws; and

WHEREAS, the Town Council of the Town (the "Town Council") hereby finds that certain improvements and extensions of the sewage works are necessary; and HNTB of Indianapolis, Indiana, the consulting engineers employed by the Town, and such other firms as have been retained by the Town (collectively, the "Consulting Engineers"), have prepared and filed plans, specifications, detailed descriptions and estimates of the costs of the necessary improvements and extensions to the sewage works, which plans, specifications, descriptions and estimates, to the extent required by law, have been or will be duly submitted to and approved by all governmental authorities having jurisdiction thereover (the improvements and extensions to the sewage works as described in such engineers' plans and specifications are referred to herein as the "Project"); and

WHEREAS, the Town Council further finds that the estimates prepared and delivered by the Consulting Engineers with respect to the costs (as defined in I.C. 36-9-23-11) of acquisition and construction of such improvements and extensions to the sewage works (as defined in I.C. 36-9-1-8, as amended, and in the Act), and including all authorized expenses relating thereto, including the allocable portion of the costs of issuance of bonds on account of the financing of all or a portion thereof, will be in the estimated amount of Thirteen Million Dollars (\$13,000,000); and

WHEREAS, pursuant to Amended and Restated Ordinances No. 93-9 and 93-15, adopted on June 14, 1993 and June 25, 1993, respectively (together, the "1993 Ordinance"), the Town has heretofore issued sewage works refunding revenue bonds under date of July 1, 1993 (the "1993 Bonds"), payable from the revenues of the sewage works, outstanding in the aggregate principal amount of Two Hundred Twenty Thousand Dollars (\$220,000), bearing interest at per annum rates ranging from 5.40% to 5.60%, maturing annually on September 1, in the years 2004 and 2005 inclusive and, pursuant to Ordinance 97-02 and 97-11, adopted on February 10, 1997 and April 14, 1997, respectively (together, the "1997 Ordinance") the Town has heretofore issued sewage works revenue bonds under date of March 1, 1997 (the "1997 Bonds") payable from the revenues of the sewage works on a parity with the 1993 Bonds, outstanding in the principal amount of Seven Million Four Hundred Eighty Five Thousand Dollars (\$7,485,000) bearing interest at per annum rates ranging from 5.375% to 5.75% and maturing on September 1 through 2019 and pursuant to Ordinance No. 2002-11, as Amended and Restated, adopted on May 13, 2002 (the "2002 Ordinance"), the Town has heretofore issued sewage works revenue bonds under

date of May 22, 2002 payable from the revenues of the sewage works on a parity with the 1993 Bonds and the 1997 Bonds, outstanding in the aggregate principal amount of Ten Million One Hundred Thirty Thousand Dollars (\$10,130,000) bearing interest at per annum rates ranging from 2.8% to 5.58% and maturing annually on September 1 of the years 2004 through 2023, inclusive ; and

WHEREAS, Section 19 of the 1993 Ordinance and of the 1997 Ordinance and of the 2002 Ordinance, authorizes the issuance of additional revenue bonds ranking on a parity with the 1993 Bonds, the 1997 Bonds and the 2002 Bonds for the purpose of financing the cost of future additions, extensions, and improvements to the sewage works, so long as certain conditions are met; and

WHEREAS, O. W. Krohn & Associates, certified public accountants, has been employed by the Town, has analyzed the records and finances of the sewage works, and has submitted preliminary evidence and findings demonstrating compliance with the conditions set forth in the 1993 Ordinance for the issuance of additional revenue bonds payable out of the revenues of the sewage works, and ranking on a parity with the 1993 Bonds and the 1997 Bonds and the 2002 Bonds; and

WHEREAS, the Town Council now finds that all conditions precedent to the authorizing the issuance of additional bonds ranking on a parity with the 1993 Bonds and the 1997 Bonds and the 2002 Bonds and providing the necessary funds to be applied to the costs of the Project, the authorized costs relating thereto, and a debt service reserve fund with respect to such additional bonds, have been complied with in accordance with the provisions of the 1993 Ordinance and the 1997 Ordinance and the 2002 Ordinance and the Act; and

WHEREAS, the Town Council consequently seeks to authorize the issuance of revenue bonds on a parity with the 1993 Bonds and the 1997 Bonds and the 2002 Bonds to finance the acquisition and construction of the Project pursuant to the Act and the sale of such revenue bonds pursuant to the provisions of the Act, subject to and dependent upon the terms and conditions hereinafter set forth; and

WHEREAS, the Town Council deems it advisable to include all sewer availability fees and sewer tap fees and any similar fees in the net revenues of the sewage works pursuant to I.C. 36-9-23-29;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF WESTFIELD, INDIANA THAT:

Section 1. Acquisition and Construction of the Project. The Town, as the owner and operator of the sewage works for the collection and treatment of sewage and other wastes, hereby approves the acquisition of any and all necessary property and the construction of improvements and extensions to the sewage works, pursuant to the Act and in accordance with the plans and specifications heretofore or hereafter prepared and filed with the Town Council by the Consulting Engineers, which plans and specifications submitted to this meeting are hereby adopted and approved and, by reference, incorporated fully into this Ordinance; provided, that

any and all costs of property acquisition for and construction of the improvements and extensions to the sewage works in connection with the Project, together with all other expenses relating thereto, and the allocable portion of the costs of issuing bonds on account of the financing of a portion thereof, shall be limited to and shall not exceed the sum of Thirteen Million Dollars (\$13,000,000) unless otherwise authorized by the Town Council. Where used in this Ordinance, the term "Town" shall be construed also to include any department, board, commission or officer or officers of the Town or of any Town department, board or commission. The terms "Sewage Works," "sewage works," "works" and similar terms used in this Ordinance shall be construed to mean and include the existing structures and property of the sewage works and all enlargements, improvements, extensions and additions thereto, and replacements thereof, now or subsequently constructed or acquired, whether from the proceeds of the bonds authorized herein or otherwise. Such improvements and extensions shall be constructed and the bonds herein authorized shall be issued pursuant to the provisions of this Ordinance and the Act.

Section 2. Description of the Project. The Project shall be constructed and installed in accordance with the plans, specifications, descriptions and estimates provided by the Consulting Engineers, and shall consist of the following: construction of, additions to and expansion of the wastewater treatment plant, installation of ancillary equipment and other improvements related thereto and construction of and additions to various administrative facilities.

The Town shall proceed with the acquisition, construction and installation of the Project and shall enter into all contracts necessary or appropriate for such purpose, in conformity with and subject to the requirements and conditions set forth in this Ordinance and in the Act.

Section 3. The 2004 Bonds. In accordance with the Act and for the purpose of providing funds with which to pay a portion of the costs of the Project, together with authorized expenses relating thereto including the costs of issuance of the 2004 Bonds, as hereinafter defined, described below, the Town shall issue and sell its sewage works revenue bonds designated "Town of Westfield, Indiana, Sewage Works Revenue Bonds of 2004" in the aggregate principal amount not to exceed Thirteen Million Dollars (\$13,000,000) (the "2004 Bonds"). The principal of, redemption premium, if any, and interest on the 2004 Bonds shall be payable on a parity with the 1993 Bonds and the 1997 Bonds and the 2002 Bonds solely out of the Sewage Works Bond Sinking Fund (created by the 1993 Ordinance and continued hereby) described in Section 14 hereof.

The 2004 Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) each or integral multiples thereof not exceeding the principal amount of 2004 Bonds maturing in any one year, numbered consecutively from 04R-1 upward, and dated either as of the first day of the month in which the 2004 Bonds are sold or delivered or the date on which the bonds are sold and delivered. Interest shall be payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2004. The 2004 Bonds shall mature at such time as the President of the Town Council and the Clerk-Treasurer shall determine to be appropriate, but in no event shall the final maturity be later than September 1, 2026.

Interest on the 2004 Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date of the 2004 Bonds unless the 2004 Bonds are authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless the 2004 Bonds are authenticated on or before August 15, 2004, in which case they shall bear interest from the original date until the principal shall be fully paid.

Section 4. Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized to serve as Registrar and Paying Agent or to contract with a qualified financial institution to serve as Registrar and Paying Agent for the 2004 Bonds (the "Registrar" or "Paying Agent" and in both capacities the "Registrar and Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the 2004 Bonds. The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with the Registrar and Paying Agent as will enable the institution to perform the services required of a registrar and paying agent. The Clerk-Treasurer is further authorized to pay such fees as the Registrar and Paying Agent may charge for the services it provides as Registrar and Paying Agent and such fees may be paid from the Sinking Fund (established by the 1993 Ordinance and continued hereby) as fiscal agency charges.

The principal of and redemption premium, if any, on the 2004 Bonds shall be payable at the principal corporate trust office of the Paying Agent. All payments of interest on the 2004 Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the fifteenth day of the month preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner; [provided, however, that all payments of interest to the Indiana Bond Bank shall be paid by wire transfer to an account designated by the Indiana Bond Bank for that purpose on the due date thereof.] All payments on the 2004 Bonds shall be made in any lawful money of the United States of America which, on the date of such payment, shall be legal tender for the payment of public and private debts.

Each 2004 Bond shall be transferable or exchangeable only upon the books of the Town kept for that purpose at the office of the Clerk-Treasurer of the Town or at the principal corporate trust office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such 2004 Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered 2004 Bond or 2004 Bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Town except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Town, Registrar and Paying Agent for the 2004 Bonds may treat and consider the person in whose name such 2004 Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving thirty (30) days' notice in writing to the Town and by first class mail to each registered owner of the 2004 Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) day period or upon the earlier appointment of a successor registrar and paying agent by the Town. Any such notice to the Town may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the Town, in which event the Town may appoint a successor registrar and paying agent. The Town shall notify each registered owner of the 2004 Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the 2004 Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the Town, the Clerk-Treasurer is authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the 2004 Bonds. The Clerk-Treasurer is further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent and such fees may be paid from the Sewage Works Sinking Fund (created by the 1993 Ordinance and continued hereby). Any predecessor registrar and paying agent shall deliver all of the 2004 Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

In the event any 2004 Bond is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Registrar may authenticate a new 2004 Bond of like date, maturity, and denomination as the mutilated, lost, stolen or destroyed 2004 Bond, which new 2004 Bond shall be marked in a manner to distinguish it from the 2004 Bond for which it was issued; provided, that in the case of any mutilated 2004 Bond, such mutilated 2004 Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed 2004 Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Town and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed 2004 Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate 2004 Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated 2004 Bond or upon satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed 2004 Bond. The Town and the Registrar and Paying Agent may charge the owner of any such 2004 Bond with their reasonable fees and expenses in connection with the above. Every substitute 2004 Bond issued by reason of any 2004 Bond being lost, stolen or destroyed shall, with respect to such 2004 Bond, constitute a substitute contractual obligation of the Town pursuant to this Ordinance, whether or not the lost, stolen or destroyed 2004 Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other 2004 Bond duly issued hereunder.

In the event that any 2004 Bond is not presented for payment or redemption on the date established therefor, the Town may deposit in trust with the Paying Agent an amount

sufficient to pay such 2004 Bond or the redemption price thereof, as appropriate, and thereafter the owner of such 2004 Bond shall look only to the funds so deposited in trust with the Paying Agent for payment and the Town shall have no further obligation or liability with respect thereto.

Notwithstanding any other provisions of this Section 4, the Town hereby designates The Depository Trust Company to act as the Depository in connection with the Bonds.

A Representations Letter relating to the Bonds shall be executed and delivered on behalf of the Town by an authorized officer thereof in the event there is not already a Representations Letter on file with the Depository.

The Bonds shall be initially issued in the form of a separate fully registered Bond for each of the maturities established in this Ordinance. Upon initial issuance, the ownership of each such Bond shall be registered in the bond register kept by the Trustee in the name of Cede & Co., as nominee of the Depository. Except as provided herein, all of the outstanding Bonds shall continue to be registered in the bond register kept by the Trustee in the name of Cede & Co., as nominee of the Depository.

The Town may determine in its sole discretion that (i) the Depository is unwilling or unable to discharge its responsibilities as Depository under this Indenture and the Representations Letter, or (ii) it is in the best interest of the Town that the beneficial owners of the Bonds be able to obtain certificated Bonds. If the Town makes the determination set forth in clause (i), the Town may designate a person to act as successor depository and authorize the execution of a new Representations Letter. If a successor depository is appointed, that successor or its nominee will be treated by the Trustee and the Town as the sole and exclusive owner of the Bonds, respectively, and, as in the case of the Depository, the responsibilities and obligations of the Trustee and the Town shall be solely to that successor depository or its nominee and not to any participant in the successor or any person claiming a beneficial ownership interest in any Bond. If the Town makes the determination set forth in clause (i) or (ii), the Town may provide for the execution by the Town, authentication by the Trustee and delivery to the beneficial owners of the Bonds, of certificates for their Bonds. The Town shall provide notice of any determination made by the Town under this subsection to the Depository as provided in any Representations Letter.

As long as any Bond is registered in the name of Cede & Co., as nominee of the Depository, all payments of principal of and interest on such Bond so registered shall be made to Cede & Co., as nominee of the Depository.

With respect to Bonds registered in the bond register kept by the Trustee in the name of Cede & Co., as nominee of the Depository, the Town and the Trustee shall have no responsibility or obligation to any person owning a beneficial interest in any of the Bonds (or any nominee of such person). Without limiting the effect of the immediately preceding sentence, the Town and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository or Cede & Co., or any brokers, dealers, banks and other financial institutions which are members of the Depository with respect to any ownership interest in the Bonds, (ii) the delivery to any person, other than a holder of the Bonds, as shown in the bond register kept by the Trustee, of any notice with respect to the Bonds, or (iii) the payment to any person, other than a holder of the

Bonds as shown in the bond register kept by the Trustee, of any amount with respect to principal of and interest on the Bonds. The Town and the Trustee may treat and consider the person in whose name each Bond is registered in the bond register kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of principal of and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever, and the Town and the Trustee shall not be affected by notice to the contrary. The Trustee shall pay all principal of and interest on the Bonds only to or upon the order of the respective holders of the Bonds, as shown in the bond register kept by the Trustee, or their respective attorneys duly authorized in writing, as provided in Section 2.01 hereof, and all such payments shall be valid and effective to satisfy and discharge fully the Town's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a holder of Bonds, as shown in the bond register kept by the Trustee, shall be issued a certificate evidencing the obligation of the Town to make payments of principal of and interest on the Bonds.

Section 5. Redemption of the 2004 Bonds. The redemption provisions, including redemption dates and prices, for the 2004 Bonds shall be determined by the President of the Town Council and the Clerk-Treasurer prior to the sale of such series of 2004 Bonds, with the advice of the Town's financial advisor.

Official notice of such redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the 2004 Bonds called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such registered owner to the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any 2004 Bond shall not affect the validity of the proceedings for the redemption of any other 2004 Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts) of the 2004 Bonds called for redemption. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Town. Interest on the 2004 Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such 2004 Bonds (or portions thereof) are presented for payment. Any 2004 Bond redeemed in part may be exchanged for a 2004 Bond or 2004 Bonds of the same maturity and series in authorized denominations equal to the remaining principal amount thereof.

In addition to the foregoing notice, the Town may also direct that further notice of redemption of the 2004 Bonds be given, including without limitation and at the option of the Town, notice described in paragraph (a) below given by the Registrar and Paying Agent to the parties described in paragraphs (b) and (c) below. No defect in any such further notice and no failure to give all or any portion of any such further notice shall in any manner defeat the effectiveness of any call for redemption of 2004 Bonds so long as notice thereof is mailed as prescribed above.

(a) If so directed by the Town, each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 2004 Bonds being redeemed; (ii) the date of issue of the 2004 Bonds as originally issued; (iii) the rate of interest borne by each 2004 Bond being redeemed; (iv) the maturity date of each 2004 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the 2004 Bonds being redeemed.

(b) If so directed by the Town, each further notice of redemption shall be sent at least thirty-five (35) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the 2004 Bonds (such depositories now being The Depository Trust Company of New York, New York; Midwest Securities Trust Company of Chicago, Illinois; Pacific Securities Depository Trust Company of San Francisco, California; and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services that disseminate notices of redemption of obligations such as the 2004 Bonds (such as Financial Information, Inc.'s Financial Daily Called Bond Service, Kenny Information Service's Called Bond Service, Moody's Municipal and Government News Reports, and Standard & Poor's Called Bond Record).

Upon the payment of the redemption price of the 2004 Bonds (or portions thereof) being redeemed and if so directed by the Town, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the 2004 Bonds (or portions thereof) being redeemed with the proceeds of such check or other transfer.

Section 6. Execution and Negotiability. Each of the 2004 Bonds shall be executed in the name of the Town by the manual or facsimile signature of the President of the Town Council and attested by the manual or facsimile signature of its Clerk-Treasurer, and the seal of the Town shall be affixed, imprinted or impressed to or on each of the 2004 Bonds manually, by facsimile or any other means. In case any officer whose signature or facsimile signature appears on the 2004 Bonds shall cease to be such officer before the delivery of the 2004 Bonds, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Subject to the provisions of this Ordinance regarding the registration of the 2004 Bonds, the 2004 Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

The 2004 Bonds shall also be authenticated by the manual signature of the Registrar, and no 2004 Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

Section 7. Form of Bonds. The form and tenor of the 2004 Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery:

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF HAMILTON

Interest Rate

Original
Date

Authentication
Date

Maturity
Date

CUSIP

TOWN OF WESTFIELD
SEWAGE WORKS REVENUE
BOND OF 2004

REGISTERED OWNER:

PRINCIPAL SUM:

The Town of Westfield, in Hamilton County, State of Indiana, for value received, hereby to pay to the Registered Owner named above or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon at the Interest Rate per annum stated above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before August 15, 2004, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on the first day of March and September in each year, beginning on September 1, 2004. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

The principal of and premium, if any, on this bond is payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in the _____ of _____, Indiana. All payments of interest on this bond shall be paid by check, mailed one business day prior to the interest payment date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner; provided, however, that all payments of interest to the Indiana Bond Bank shall be made by wire transfer to an account of the Indiana Bond Bank designated for that purpose on the due date thereof. All payments on the bond shall be made in any coin or currency of the United States of America which, on the dates of such payment, shall be legal tender for the payment of public and private debts.

THE TOWN SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE HEREINAFTER DESCRIBED SPECIAL FUND, AND NEITHER THIS BOND NOR THE ISSUE OF WHICH IT IS A PART SHALL IN ANY

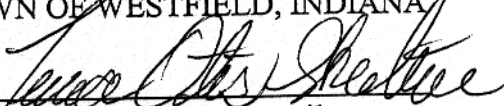
RESPECT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE TOWN WITHIN THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA.

The terms and provisions of this bond are continued on the reverse side hereof and such terms and provisions shall for all purposes have the same effect as though fully set forth at this place.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

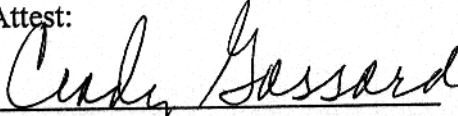
This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the Town of Westfield, in Hamilton County, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of its President of the town Council, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

TOWN OF WESTFIELD, INDIANA
By 
President, Town Council
of the Town of Westfield

[SEAL]

Attest:


Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Ordinance.

as Registrar

By _____
Authorized Representative

(To be printed on Reverse Side)

This bond is one of an authorized issue of bonds of the Town of Westfield, Indiana (the "Town") of like date, tenor, and effect, except as to rates of interest and dates of maturity; aggregating _____ Dollars (\$ _____) numbered consecutively from 04R-1 up (the "Bonds"); issued for the purpose of acquiring and constructing certain improvements and extensions to the sewage works of the Town (the "Project"). This bond is issued pursuant to an Ordinance adopted by the Town Council of the Town on the ___th day of March, 2004, entitled "An ordinance authorizing the acquisition and construction by the Town of Westfield, Indiana, of certain improvements and extensions to its sewage works; authorizing the issuance of Sewage Works Revenue Bonds of 2004 for such purpose; providing for the collection, segregation and distribution of the revenues of the sewage works; and other related matters" (the "Ordinance"), and in accordance with provisions of Indiana law, including, without limitation, IC 36-9-23 (hereinafter collectively, the "Act"), the proceeds of which bonds are to be applied solely to the Project, including the incidental expenses incurred in connection therewith.

Pursuant to the provisions of the Act and the Ordinance, the principal of and interest on this bond and all other bonds of said issue, together with certain "Sewage Works Refunding Revenue Bonds of 1993" (the "1993 Bonds") outstanding on the Original Date hereof in a principal amount of _____ Dollars (\$ _____) dated July 1, 1993, maturing annually on September 1 in the years 2004 to 2005 and ranking on a parity herewith, the Sewage Works Revenue Bonds of 1997 (the "1997 Bonds") outstanding on the Original Date hereof in a principal amount of _____ Dollars (\$ _____) dated March 1, 1997, maturing annually on September 1 through 2019, and the Sewage Works Revenue Bonds of 2002 (the "2002 Bonds") outstanding on the Original Date hereof in the principal amount of _____ Dollars (\$ _____) dated May 22, 2002, maturing annually on September 1 of the years 2004 through 2023, inclusive, and any bonds hereafter issued on a parity herewith or therewith are payable solely from the Sewage Works Sinking Fund heretofore established pursuant to Amended and Restated Ordinances 1993-9 and 93-15 (the "1993 Ordinance"), continued by Ordinance 97-02 and 97-11 (the "1997 Ordinance") and Ordinance 2002-11, as Amended and Restated) and continued by the Ordinance (the "Sinking Fund") to be provided from the Net Revenues (herein defined as the gross revenues of the sewage works of the Town remaining after the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works now owned or hereafter acquired by the Town.

The Town of Westfield irrevocably pledges the entire Net Revenues of the sewage works to the prompt payment of the principal of and interest on the bonds authorized by the Ordinance, of which this is one, the 1993 Bonds, the 1997 Bonds, the 2002 Bonds, and any bonds ranking on a parity herewith or therewith, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the utility as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the sewage works and for the payment of the sums required to be paid into the Sinking Fund under the provisions of the Act, the 1993 Ordinance, the 1997 Ordinance, the 2002 Ordinance and the Ordinance. If the Town or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this bond, the owner of this bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this bond and the interest hereon.

The Town further covenants that it will set aside and pay into its Sinking Fund monthly, as available, or more often if necessary, a sufficient amount of the Net Revenues of the works for payment of (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount as a margin of safety to create and maintain the debt service reserve required by the Ordinance. Such required payments shall constitute a first charge upon the Net Revenues of the Sewage Works.

The Bonds maturing on or after _____ 1, _____, shall be redeemable at the option of the Town, in whole or in part, on _____ 1, _____, or at any time thereafter, in amounts and maturities selected by the Town, and by lot within any such maturity or maturities by the Registrar, at a redemption price equal to _____ percent (____%) of the principal amount of each such bond to be redeemed, plus accrued interest to the date of redemption, but without premium.

Subject to the provisions of the Ordinance permitting amounts to be credited toward a part or all of any one or more mandatory sinking fund requirement, the Bonds maturing on _____ 1, _____, are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on _____ 1 and _____ 1 of each year commencing _____ 1, _____, in the amounts set forth in the table below:

<u>Date</u>	<u>Amount</u>
_____	_____

*Final maturity

Official notice of such redemption shall be mailed by the Registrar and Paying Agent by certified or registered mail at least thirty (30) days and not more than sixty (60) days prior to the scheduled redemption date to each of the registered owners of the Bonds called for redemption (unless waived by any such registered owner) at the address shown on the registration books of the Registrar and Paying Agent, or at such other address as is furnished in writing by such registered owner to the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in case of partial redemption, the respective principal amounts) of the Bonds called for redemption. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Town. Interest on the Bonds (or portions thereof) so called for redemption shall cease to accrue on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the redemption date and when such Bonds (or portions thereof) are presented for payment. Any Bond redeemed in part may be exchanged for a Bond or Bonds of the same maturity and series in authorized denominations equal to the remaining principal amount thereof.

If this Bond shall not be presented for payment on the date fixed therefor, the Town may deposit in trust with its depository bank an amount sufficient to pay such bond and thereafter the registered owner shall look only to the funds so deposited in trust with said bank for payment and the Town shall have no further obligation or liability in respect thereto.

This Bond is transferable or exchangeable only upon the books of the Town kept for that purpose at the principal corporate trust office of the Registrar by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. This bond may be transferred without cost to the registered owner except for any tax or governmental charge required to be paid with respect to the transfer. The Town, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this Bond is mutilated, lost, stolen or destroyed, the Town may cause to be executed and the Registrar may authenticate a new bond of like date, maturity, and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided, that in the case of this bond being mutilated, this bond shall first be surrendered to the Registrar, and in the case of this bond being lost, stolen or destroyed there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Town and the Registrar, together with indemnity satisfactory to them. In the event that this bond, being mutilated, lost, stolen, or destroyed, shall have matured or been called for

redemption, instead of causing to be issued a duplicate bond, the Registrar and Paying Agent may pay this bond upon surrender of this mutilated bond or upon satisfactory indemnity and proof of loss, theft or destruction in the case of this bond being lost, stolen or destroyed. The Town and the Registrar and Paying Agent may charge the owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Town pursuant to this Ordinance, whether or not this bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bonds duly issued hereunder.

This bond is subject to defeasance prior to payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the bonds as provided in the Ordinance if the Town Council determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the bonds.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ this bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within bond to the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by a broker-dealer or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Section 8. Issuance, Sale and Delivery of the 2004 Bonds. The Clerk-Treasurer is hereby authorized and directed to have the 2004 Bonds prepared, and the President of the Town Council and the Clerk-Treasurer are each hereby authorized and directed to execute the 2004 Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the 2004 Bonds to the purchaser or purchasers thereof after sale made in accordance with the provisions of the Act, and this Ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the purchaser or purchasers have agreed to pay therefor, which shall be not less than 98% of the par amount of the 2004 Bonds, plus accrued interest thereon to the date of delivery, if any. The proceeds derived from the sale of the 2004 Bonds shall be and are hereby set aside for application to the costs of the Project, together with the expenses necessarily incurred in connection therewith including the expenses incurred in the issuance of the 2004 Bonds. The authorized officers of the Town are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

The 2004 Bonds shall be sold by public sale. The 2004 Bonds shall be offered and sold pursuant to an Official Statement with respect to the 2004 Bonds (the "Official Statement"), to be made available and distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12 promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board. The Town Council hereby authorizes the Clerk-Treasurer (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended, for distribution as the Preliminary Official Statement of the Town, (b) on behalf of the Town, to designate the Preliminary Official Statement a "final" Official Statement of the Town with respect to the 2004 Bonds, subject to completion as permitted by and otherwise pursuant to the provisions of the

Rule, (c) to authorize the Preliminary Official Statement to be placed into final form and to enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of up to 1000 copies of the Official Statement at the expense of the Town and additional copies of the Official Statement at the expense of the purchaser or purchasers of the 2004 Bonds, and (d) to employ the firm of O. W. Krohn & Associates to serve the Town as financial advisor with respect to the 2004 Bonds and in connection with the preparation of the Official Statement, all on such terms as may be mutually acceptable to the parties.

Prior to the sale of the 2004 Bonds, the Clerk-Treasurer shall cause to be published a notice of intent to sell two times at least one week apart in such publications as are required under Indiana law. The notice of such sale or a summary thereof may also be published in Credit Markets, a financial journal published in the Town and State of New York and/or in other publications, in the discretion of the Clerk-Treasurer. The notice must state that any person interested in submitting a bid for the 2004 Bonds may furnish in writing, at the address set forth in the notice, the person's name, address, and telephone number, and that any such person may also furnish a telex number. The notice must also state: (1) the amount of the 2004 Bonds to be offered; (2) the denominations; (3) the dates of maturity; (4) the maximum rate or rates of interest; (5) the place of sale; and (6) the time within which the name, address and telephone number must be furnished, which must not be less than seven days after the last publication of the notice. Each person so registered shall be notified of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by the person, and also by telex if the person furnishes a telex number. Such notice may also include such other information as the Clerk-Treasurer shall deem necessary. Such notice shall also provide, among other things, that each bid shall be accompanied by a certified or cashier's check or financial surety bond in an amount equal to one percent (1%) of the principal amount of the 2004 Bonds to guarantee performance on the part of the bidder, and that in the event the successful bidder shall fail or refuse to accept delivery of and pay for the 2004 Bonds as soon as the 2004 Bonds are ready for delivery, or at the time fixed in the notice of intent to sell, then such check and the proceeds thereof shall become the property of the Town and shall be considered as the Town's liquidated damages on account of such default.

All bids for the 2004 Bonds shall be sealed and shall be presented to the Clerk-Treasurer at the Clerk-Treasurer's office or, at the direction of the Clerk-Treasurer at the offices of the Town's financial Advisor, O. W. Krohn & Assoc., 231 E. Main Street, Westfield, IN 46074, and the Clerk-Treasurer shall continue to receive all bids offered until the hour fixed for the sale of the 2004 Bonds, at which time and place the Clerk-Treasurer shall open and consider each bid. Bidders for the 2004 Bonds shall be required to name the rate or rates of interest which the 2004 Bonds are to bear, not exceed 8.00% per annum. Such interest rate or rates shall be in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). Bids specifying more than one interest rate shall also specify the amount and maturities of the 2004 Bonds bearing each rate, and all 2004 Bonds maturing on the same date shall bear the same rate of interest. The interest rate on 2004 Bonds on a given maturity must be at least as great as the interest rate on 2004 Bonds of any earlier maturity.

At the option of the successful bidder for the 2004 Bonds, all or a portion of the 2004 Bonds may be aggregated into one or more term bonds payable from mandatory sinking fund redemption payments (the "Term Bonds") required to be made as set forth below. The Term Bonds shall have a stated maturity or maturities on September 1 of the years determined by the successful bidder.

In the event that the successful bidder opts to aggregate certain 2004 Bonds into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on September 1 of each year and in the principal amount corresponding to and consistent with the maturity schedule established for the 2004 Bonds as set forth in Section 3 of this Ordinance.

Alternatively, the President of the Town Council and the Clerk-Treasurer are authorized to negotiate with the Indiana Bond Bank for the purchase of the Bonds and to execute a Bond Purchase Agreement between the Town and the Indiana Bond Bank on behalf of the Town containing such terms and conditions not inconsistent with this ordinance as the President of the Town Council and the Clerk-Treasurer shall determine to be appropriate; and the Bonds shall be sold and delivered to the Bond Bank, in accordance with the Bond Purchase Agreement and this Ordinance, bearing interest at an effective interest rate which must not exceed eight percent (8%) before the negotiated offer is accepted and otherwise upon the terms and conditions herein provided, for a price consisting of the principal amount of the Bonds as set forth in the Bond Purchase Agreement and accrued interest thereon from their date to the date of their delivery, plus a premium or less a discount not to exceed two percent (2%) of the par amount of the Bonds, as set forth in such Bond Purchase Agreement.

The Registrar and Paying Agent shall credit against any mandatory sinking fund redemption requirement for a Term Bond of a particular maturity, any 2004 Bonds of such maturity redeemed under Section 6 of this Ordinance and delivered to the Registrar and Paying Agent for cancellation or purchased for cancellation by the Town and cancelled by the Registrar and Paying Agent and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each 2004 Bond so delivered or purchased shall be credited by the Registrar and Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund redemption requirements for the applicable Term Bond in inverse order of mandatory sinking fund redemption (or final maturity) dates, and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund requirements shall be reduced accordingly.

The Registrar and Paying Agent shall determine by lot (treating each \$5,000 principal amount of each 2004 Bond as a separate 2004 Bond for such purpose) the 2004 Bonds within a Term Bond of a particular maturity to be redeemed pursuant to mandatory sinking fund redemption requirements on September 1 of each year. If some Bonds are to be redeemed by optional redemption under Section 6 of this Ordinance and by mandatory sinking fund redemption under this Section 8 on the same date, the Registrar and Paying Agent shall select by lot the 2004 Bonds for optional redemption before selecting 2004 Bonds by lot for mandatory sinking fund redemption.

Notice of any such mandatory sinking fund redemption shall be given in the same manner as notice of optional redemption is required to be given pursuant to Section 6 of this Ordinance.

In the event any of the 2004 Bonds are issued as Term Bonds, the form of the Bond set forth in Section 7 of this Ordinance shall be modified accordingly.

Any reference to payment of principal on 2004 Bonds shall include payment of scheduled mandatory sinking fund redemption payments described in this Section 8.

Prior to the delivery of the 2004 Bonds, the Clerk-Treasurer, subject to the direction of the Town Council, (i) shall be authorized to investigate, negotiate and obtain bond insurance, other forms of credit enhancement and/or credit ratings on such series of 2004 Bonds and (ii) shall obtain a legal opinion as to the validity of the 2004 Bonds from Baker & Daniels, Indianapolis, Indiana, bond counsel for the Town, with such opinion to be furnished to the purchasers of the 2004 Bonds at the expense of the Town. The costs of obtaining any such insurance, other credit enhancement and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the 2004 Bonds, shall be considered as a part of the cost of the Project and shall be paid out of the proceeds of such series of 2004 Bonds.

Section 9. Disposition of Proceeds of the 2004 Bonds; Town of Westfield 2004 Sewage Works Acquisition Account.

(a) The accrued interest received at the time of delivery of the 2004 Bonds, if any, shall be deposited to the Sewage Works Sinking Fund hereinafter described. Thereafter, unless the Town shall satisfy the Reserve Requirement for the 2004 Bonds by providing a Qualified Surety Bond (as defined in section 28 of this Ordinance), a portion of the proceeds from the sale of the bonds equal to the Debt Service Reserve Requirement on the 2004 Bonds shall be deposited into the Debt Service Reserve Account of the Sewage Works Sinking Fund.

(b) The remaining proceeds from the sale of the 2004 Bonds shall be deposited in a bank or banks which are legally qualified depositories for the funds of the Town, in the special account to be designated as "Town of Westfield, 2004 Sewage Works Construction Account" (the "Construction Account"). Amounts in the Construction Account shall be expended only for the purpose of paying the costs of the Project, as described in this Ordinance and in the Act, together with the incidental expenses incurred in connection with the Project and the costs of issuance of the 2004 Bonds, and as otherwise permitted or required by the Act. Any balance or balances remaining unexpended in the Construction Account after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the acquisition or construction of the Project, shall be used solely for one or more of the purposes permitted under the provisions of I.C. 5-1-13, as amended. Pursuant to the Act, the owners of the 2004 Bonds shall be entitled to a lien on the proceeds of the 2004 Bonds until such proceeds are applied as required by this Ordinance and by Indiana law.

Section 10. Financial Records and Accounts. The Town shall keep proper records and books of account separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues received on account of the operation of the sewage works and all disbursements made therefrom and all transactions relating to the utility. There shall be prepared and furnished, and distributed, as required by the Rule and any agreement or undertaking of the Town pursuant to the Rule, financial, operating and other information relating to the town and the utility.

Section 11. Pledge of Net Revenues. The interest on and the principal of the 2004 Bonds issued pursuant to the provisions of this Ordinance, the 1993 Bonds, the 1997 Bonds and the 2002 Bonds and any bonds hereafter issued on a parity therewith, shall constitute a first charge on all the Net Revenues (which shall include all sewer availability fees and sewer tap fees), and such Net Revenues are hereby irrevocably pledged to the payment of the interest on and principal of such 2004 Bonds, to the extent necessary for that purpose.

Section 12. Revenue Fund. All revenues derived from the operation of the sewage works and from the collection of sewer rates and charges shall be deposited in the Revenue Fund (which Revenue Fund was established and designated pursuant to the 1993 Ordinance, continued by the 1997 Ordinance and by the 2002 Ordinance and hereby continued), and segregated and deposited as set forth in this Ordinance. From these revenues the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the principal of, premium, if any, or interest on all bonds and fiscal agency charges of registrars or paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid.

Section 13. Operation Fund. On the last day of each calendar month, revenues of the sewage works shall be transferred from the Revenue Fund to the Operation Fund (established and designated pursuant to the 1993 Ordinance, continued by the 1997 Ordinance and by the 2002 Ordinance and continued hereby). The balance maintained in this Fund shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited to this Fund shall be used for the payment of the reasonable and proper operation, repair and expenses of the sewage works on a day-to-day basis. Any monies in said Fund may be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of, premium, if any, on, or interest on the outstanding bonds of the sewage works.

Section 14. Sewage Works Sinking Fund.

(a) A fund designated "Sewage Works Sinking Fund" was established and designated pursuant to the 1993 Ordinance, continued by the 1997 Ordinance and by the 2002 Ordinance and is hereby continued as the sinking fund for the payment of the principal of and interest on revenue bonds which by their terms are payable from the Net Revenues of the sewage works and the payment of any fiscal agency charges in connection with the payment of bonds. There shall be set aside and deposited in the Sinking Fund, as available, and as hereinafter provided, a sufficient amount of the Net Revenues of the sewage works to meet the

requirements of the Bond and Interest Account and Reserve Account established by the 1993 Ordinance, continued by the 1997 Ordinance and by the 2002 Ordinance and hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Debt Service Account and the Reserve Account equal the interest on and the principal of all of the then outstanding bonds of the sewage works to their final maturity.

(b) Debt Service Account. There shall be credited on the last day of each calendar month from the Revenue Fund to the Debt Service Account an amount of the Net Revenues equal to at least one-sixth (1/6) of the interest and at least one-twelfth (1/12) principal on the 1993 Bonds, the 1997 Bonds, the 2002 Bonds and the 2004 Bonds and all then outstanding bonds payable on the then next succeeding principal and interest payment date until the amount of interest and principal payable on the then next succeeding interest and principal payment date shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal of and interest on outstanding bonds as the same become payable. The Town shall, from the sums deposited in the Sinking Fund and credited to the Debt Service Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(c) Reserve Account. Unless the Town shall satisfy the Reserve Requirement for the 1993 Bonds, the 1997 Bonds, the 2002 Bonds, or the 2004 Bonds by providing a Qualified Surety Bond (as defined in Section 28 of this Ordinance), Net Revenues of the sewage works shall be deposited into the Reserve Account of the Sewage Works Sinking Fund (created by the 1993 Ordinance and continued hereby) monthly, as available, as a reasonable reserve and a protection against default, up to an amount equal to the reserve requirement for (a) the 1993 Bonds (as set forth in the 1993 Ordinance), (b) the 1997 Bonds (as set forth in the 1997 Ordinance; (c) the 2002 Bonds (as set forth in the 2002 Ordinance, (d) the 2004 Bonds and (e) any bonds hereafter issued and payable by their terms from the net revenues of the sewage works (the "Reserve Requirement"). The reserve requirement for the 2004 Bonds shall equal but not exceed the least of (i) maximum annual debt service on the 2004 Bonds, (ii) 125% of average annual debt service on the 2004 Bonds or (iii) 10% of the proceeds of the 2004 Bonds. An amount of Net Revenues shall be credited to the Reserve Account on the last day of each calendar month until the balance therein equals but does not exceed the Reserve Requirement. The Reserve Requirement for the 1993 Bonds, the 1997 Bonds, the 2002 Bonds or the 2004 Bonds may be satisfied in whole or in part by a Qualified Surety Bond or similar reserve fund instrument. The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the 1993 Bonds, the 1997 Bonds, the 2002 Bonds and the 2004 Bonds and the moneys in the Reserve Account shall be used to pay current principal and interest on the 1993 Bonds, the 1997 Bonds, the 2002 Bonds and the 2004 Bonds to the extent that moneys in the

Bond and Interest Account are insufficient for purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after credits into the Bond and Interest Account. Any interest earnings that accumulate in excess of the Reserve Requirement shall be considered revenues of the sewage works.

Section 15. Sewage Works Improvement Fund. Any excess revenues may be transferred or credited from the Revenue Fund to a fund established and designated by the 1993 Ordinance and continued by the 1997 Ordinance and by the 2002 Ordinance and continued hereby as the "Sewage Works Improvement Fund," and said Fund shall be used for improvements, replacements, additions and extensions of the sewage works. Moneys in the Sewage Works Improvement Fund shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sewage Works Sinking Fund or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

Section 16. Investment of Funds. The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the Town. The Operation and Maintenance Fund and the Sewage Works Improvement Fund may be maintained in a single or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the Town and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts shall be deposited, held and secured as public funds in accordance with the public depository laws of the State of Indiana; provided that moneys therein may be invested in obligations in accordance with the applicable laws, including particularly Indiana Code 5-13, as amended or supplemented, and in the event of such investment, the income therefrom shall become a part of the funds invested and shall be used only as provided in this Ordinance.

Section 17. Defeasance of the 2004 Bonds. If, when the 2004 Bonds or a portion thereof shall have become due and payable in accordance with their terms, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the 2004 Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the 2004 Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the Town's sewage works.

Section 18. Rate Covenant; Additional Security. The Town covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the sewage works by or through any part of the sewage system of the Town, or that in any way uses or is served by such works; that such rates or

charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sinking Fund by the Act, the 1993 Ordinance, the 1997 Ordinance, the 2002 Ordinance and this Ordinance. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the sewage works and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the Town and all departments thereof, and shall be paid by the Town or the various departments thereof as the charges accrue.

Section 19. Additional Bond Provisions. The Town reserves the right to authorize and issue addition bonds payable out of the Net Revenues of its sewage works ranking on a parity with the 1993 Bonds, the 1997 Bonds, the 2002 Bonds and the 2004 Bonds for the purpose of financing the cost of future additions, extensions and improvements to its sewage works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this Ordinance, and the interest on and principal of all bonds payable from with the Net Revenues of the sewage works shall have been paid in accordance with their terms.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the 1993 Bonds, the 1997 Bonds, the 2002 Bonds and the 2004 Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of the parity bonds the sewage rates and charges shall be increased sufficiently so that increased rates and charges applied to the previous year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the sewage works, including the additional parity bonds proposed to be issued.

For purposes of this subsection, the records of the sewage works shall be analyzed and all showings prepared by a certified public accountant employed by the Town for that purpose.

(c) The interest on the additional parity bonds shall be payable semiannually on the first days of March and September and the principal of the additional parity bonds shall be payable annually on September 1.

Section 20. Further Covenants of the Town: Maintenance, Insurance, Pledge Not To Encumber, Subordinate Indebtedness, and Contract with Bondholders. For the purpose of further safeguarding the interests of the owners of the 2004 Bonds, it is hereby specifically provided as follows:

(a) All contracts let by the Town in connection with the Project have been or shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) The Project shall be acquired and constructed under the supervision and subject to the approval of HNTB or such other competent engineer as shall be designated by the Town. All estimates for work done or material furnished shall first be checked by the engineer and approved by the Town.

(c) So long as any of the 2004 Bonds are outstanding, the Town shall at all times maintain the sewage works system in good condition, and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the 2004 Bonds are outstanding, the Town shall maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana.

As an alternative to maintaining such insurance, the Town may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities.

All insurance or self-insurance proceeds shall be used either in replacing or restoring the property destroyed or damaged, or shall be deposited in the Sinking Fund.

(e) So long as any of the 2004 Bonds are outstanding, the Town shall not mortgage, pledge or otherwise encumber the property and plant of its sewage works system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with the utility.

(f) Except as otherwise specifically provided in Section 20 of this Ordinance, so long as any of the 2004 Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the system shall be

authorized, issued or executed by the Town, except such as shall be made junior and subordinate in all respects to the 2004 Bonds, unless all of the 2004 Bonds are redeemed or defeased coincidentally with the delivery of such additional bonds or other obligations.

(g) The Town shall take all actions or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The Town shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with the sewage works.

(h) The provisions of this Ordinance shall constitute a contract by and between the Town and the owners of the 2004 Bonds herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After issuance of the 2004 Bonds, this Ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights or interests of the owners of the 2004 Bonds, nor shall the Town Council or any other body of the Town adopt any law, ordinance or resolution in any way adversely affecting the rights of the bondholders so long as any of the 2004 Bonds, or the interest thereon, remain outstanding or unpaid. Except in the case of changes described in Section 22(a)-(g), this Ordinance may be amended, however, without the consent of bondowners, if the Town Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the 2004 Bonds.

(i) The provisions of this Ordinance shall be construed to create a trust in the proceeds of the sale of the 2004 Bonds herein authorized for the uses and purposes herein set forth, and the owners of the 2004 Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Ordinance and of the Act. The provisions of this Ordinance shall also be construed to create a trust in the Net Revenues directed to be set apart and paid into the Sinking Fund for the uses and purposes of that Fund as this Ordinance sets forth. The owners of the 2004 Bonds shall have all the rights, remedies and privileges set forth in the provisions of the governing Act, including the right to have a receiver appointed to administer the sewage works in the event the Town shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the 2004 Bonds.

(j) None of the provisions of this Ordinance shall be construed as requiring the expenditure of any funds of the Town derived from any sources other than the proceeds of the 2004 Bonds and the operation of the sewage works system.

Section 21. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the 2004 Bonds issued pursuant to this Ordinance and then outstanding shall have the right from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Town Council of the Town of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the Town for the purpose of modifying, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any 2004 Bond issued pursuant to this Ordinance; or
- (b) A reduction in the principal amount of any 2004 Bond or the redemption premium or the rate of interest thereon; or
- (c) The creation of a lien upon or a pledge of the revenues or Net Revenues of the sewage works ranking prior to the pledge thereof created by this Ordinance; or
- (d) A preference or priority of any 2004 Bond or 2004 Bonds issued pursuant to this Ordinance over any other 2004 Bond or 2004 Bonds issued pursuant to the provisions of this Ordinance; or
- (e) A reduction in the aggregate principal amount of the 2004 Bonds required for consent to such supplemental ordinance;
- (f) A reduction in the Reserve Requirement; or
- (g) Any amendment or modification to Section 18 hereof.

If the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the 2004 Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer of the Town, no owner of any 2004 Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Town Council of the Town from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Ordinance of the Town and all owners of 2004 Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing

provisions of this Ordinance, the rights and obligations of the Town and of the owners of the 2004 Bonds authorized by this Ordinance, and the terms and provisions of the 2004 Bonds and this Ordinance, or any supplemental or amendatory ordinance, may be modified or altered in any respect with the consent of the Town and the consent of the owners of all the 2004 Bonds then outstanding.

Section 22. Tax Covenants. In order to preserve the exclusion of interest on the 2004 Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the 2004 Bonds (the "Code") and as an inducement to purchasers of the 2004 Bonds, the Town represents, covenants and agrees that:

(a) No person or entity other than the Town or another state or local governmental unit will use proceeds of the 2004 Bonds or property financed by the 2004 Bond proceeds other than as a member of the general public. No person or entity other than the Town or another state or local governmental unit will own property financed by 2004 Bond proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that differentiates that person's or entity's use of such property from use by the general public.

(b) No portion of the principal of or interest on the 2004 Bonds is (under the terms of the 2004 Bonds, this Ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the Town) in respect of such property or borrowed money used or to be used for a private business use.

(c) No 2004 Bond proceeds will be loaned to any person or entity other than another state or local government unit. No 2004 Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the 2004 Bond proceeds.

(d) The Town will not take any action nor fail to take any action with respect to the 2004 Bonds that would result in the loss of the exclusion from gross income for federal tax purposes on the 2004 Bonds pursuant to Section 103 of the Code, nor will the Town act in any other manner which would adversely affect such exclusion.

(e) It shall be not an event of default under this Ordinance if the interest on any 2004 Bond is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the 2004 Bonds.

(f) The Town hereby covenants that it will rebate any arbitrage profits to the United States to the extent required by the Code and the regulations promulgated thereunder.

(g) These covenants are based solely on current law in effect and in existence on the date of delivery of such 2004 Bonds,

(h) The Town represents that the 2004 Bonds are not private activity bonds as described in Section 141 of the Code.

Section 23. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the 2004 Bonds from gross income under federal law (the "Tax Exemption") need not be complied with if the Town receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve Tax Exemption.

Section 24. Conflicting Ordinances. Other than the 1993 Ordinance, the 1997 Ordinance and the 2002 Ordinance, all ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 25. Rates and Charges. The rates and charges to the several classes of users of property served by the works are as set forth in the form of ordinance attached hereto and incorporated by reference subject to proper enactment thereof by the Town Council in accordance with law.

Section 26. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

Section 27. Effective Date. This Ordinance shall be in full force and effect from and after its and approval by the President of the Town Council.

[Section 28. Surety Bond Provisions. The Town has determined to purchase a Debt Service Reserve Fund Surety Bond (the "Surety Bond") from _____ (the "Insurer") to satisfy the Reserve Requirement for the 2004 Bonds. So long as the Insurer's Surety Bond remains in effect, the following provisions of Section 28 shall be in effect, and except as set forth herein, shall supersede any conflicting provisions elsewhere in the ordinance.

(a) The Reserve Requirement may be satisfied by: (1) cash; (2) a surety bond issued by an insurance company rated in the highest rating category by Standard & Poor's Rating Group and by Moody's Investors Services and, if rated by A.M. Best & Company, in the highest rating category by A.M. Best Company (a "Qualified Surety Bond"); or (3) a combination of cash and a Qualified Surety Bond. At any time when the Reserve Requirement is satisfied by a combination of cash and a Qualified Surety Bond, no Net Revenues of the Sewage Works shall be paid into the Reserve Account of the Sewage Works

Sinking Fund until the provider of the Qualified Surety Bond has been paid or reimbursed all amounts due it and the Qualified Surety Bond has been reinstated in full.

(b) In the event of any deficiency at any time in the Debt Service Account of the Sewage Works Sinking Fund, funds may be withdrawn from, first, the Reserve Account of the Sewage Works Sinking Fund (and, in the event of a withdrawal from the Reserve Account at a time when the Reserve Account includes both cash and a Qualified Surety Bond, all cash shall be withdrawn before any funds are requested under the Qualified Surety Bond); second, the Sewage Works Improvement Fund and further provided, that in the event of a withdrawal from the Reserve Account at a time when the Reserve Account includes multiple Qualified Surety Bonds, draws shall be made on each Qualified Surety Bond in proportion to the ratio of the total amount available thereunder to the total amount available under all Qualified Surety Bonds. All deficiencies in the Reserve Account of the Sewage Works Sinking Fund may be met by transferring amounts available from the Sewage Works Improvement Fund, to the extent of any such deficiency.

(c) Under the Surety Bond, the Insurer will provide to the Paying Agent, when and to the extent needed by the Paying Agent to pay the principal of and interest on the 2004 Bonds, an amount equal to the Reserve Requirement, but subject to the limitations set forth in the Surety Bond. The Paying Agent shall, at least three (3) days before the date on which a payment of principal of or interest on the 2004 Bonds is due, determine whether there are sufficient funds available in the Sewage Works Sinking Fund, including the Reserve Account, to make such payment. If sufficient funds are not available on that date, then on the third day prior to the date on which such payment of principal or interest is due, the Paying Agent shall make a demand for payment from the Insurer under the Surety Bond for the full amount of such deficiency, in full compliance with the terms and provisions of the Surety Bond. The Paying Agent shall keep detailed records as to the amounts drawn under the Surety Bond, the amounts owing from time to time to the Insurer under the Financial Guaranty Agreement, and the amounts available to be drawn under the Surety Bond, all of which shall be confirmed and verified with the Insurer.

(d) Pursuant to Section 18, the Town shall by ordinance establish, maintain and collect just and equitable rates and charges for facilities and services afforded and rendered by the Sewage Works. These rates and charges shall produce sufficient revenues at all time to pay the expenses enumerated in Section 18 and, in addition, all amounts owed to the Insurer under the terms of the Financial Guaranty Agreement between the Town and the Insurer.

(e) Section 19 authorizes the Town to issue additional bonds, payable out of the Net Revenues of the Waterworks ranking on a parity with the 1993 Bonds, the 1997 Bonds and the 2002 Bonds. However, where the issuance of this parity debt will cause the Reserve Requirement to increase, either cash or a Qualified Surety Bond must be provided to satisfy the increased requirement.

(f) The Town hereby pledges to the Insurer, as security for all obligations of the Town to the Insurer under the Financial Guaranty Agreement or other otherwise, the Net

Revenues of the Waterworks, subject only to the lien of bondholders permitted hereunder on such Net Revenues. The Town hereby affirms that the covenant contained in Section 20(e) of this ordinance shall be for the benefit of the Insurer.

(g) There may be no optional redemption of the 2004 Bonds or distribution of funds to the Town unless all amounts owed to the Insurer under the terms of the Financial Guaranty Agreement or any other documents have been paid in full. Before the defeasance of the 2004 Bonds occurs in accordance with Section 17, the Insurer shall be paid amounts owed to it under the terms of the Financial Guaranty Agreement or any other documents.]

[Section 29. Bond Insurance Provisions] As long as the Bond Insurance Policy shall be in full force and effect, the Town and any Paying Agent agree to comply with the following provisions:

(a) In the event that, on the second Business Day, and again on the Business Day prior to the payment date on the Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Bonds due on the second following or following, as the case may be, Business Day, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

(b) If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Bond Insurer or its designee.

(c) In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal or interest on the Bonds to a trustee in Bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

(d) The Trustee (or Paying Agent) is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Bonds as follows:

(i) If and to the extent there is a deficiency in amounts required to pay interest on the Bonds, the Paying Agent shall (a) execute and deliver to U.S. Bank Trust National Association, or any other trust company designated by the Bond Insurer, or its successors under the Bond Insurance Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing the Bond Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment from the Insurance

Paying Agent with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

(ii) If and to the extent of a deficiency in amounts required to pay principal of the Bonds, the Paying Agent shall (a) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing the Bond Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Insurer of any of the Bonds surrendered to the Insurance Paying Agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Bond Insurance Policy payment therefor from the Insurance Paying Agent, and (c) disburse the same to such Holders.

(e) Payments with respect to claims for interest on and the principal of Bonds disbursed by the Paying Agent from proceeds of the Bond Insurance Policy shall not be considered to discharge the obligation of the Town with respect to the Bonds, and the Bond Insurer shall become the owner of such unpaid Bond and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(f) Irrespective of whether any such assignment is executed and delivered, the Town and the Paying Agent hereby agree for the benefit of the Bond Insurer that:

(i) They recognize that to the extent the Bond Insurer makes payments, directly or indirectly (as by paying through the Paying Agent), on account of principal of or interest on the Bonds, the Bond Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Town, with interest thereon as provided and solely from the sources stated in this Ordinance and the Bonds; and

(ii) They will accordingly pay to the Bond Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Bond Insurance Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Agreement and the Bond, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Bonds to Holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

(g) In connection with the issuance of additional Bonds, the Town shall deliver to the Bond Insurer a copy of the disclosure document, if any, circulated with respect to such additional Bonds.

(h) Copies of any amendments made to the documents executed in connection with the issuance of the Bonds which are consented to by the Bond Insurer shall be sent to Standard & Poor's Corporation.

(i) The Bond Insurer shall receive notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto.

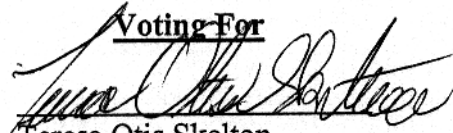
(j) The Bond Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Town's audited financial statements and annual budget. Any notice that is required to be given to a Bondholder or to the Paying Agent pursuant to this Indenture shall also be provided to the Bond Insurer. All notices required to be given to the Bond Insurer shall be in writing and shall be sent by registered or certified mail to the addresses set forth in Section 12.12 hereof.

(k) The Town agrees to reimburse the Bond Insurer immediately and unconditionally upon demand, to the extent permitted by law, for all reasonable expenses, including attorneys' fees and expenses, incurred by the Bond Insurer in connection with (i) the enforcement by the Bond Insurer of the Town's obligations, or the preservation or defense of any rights of the Bond Insurer, under this Ordinance and any other document executed in connection with the issuance of the Bonds, and (ii) any consent, amendment, waiver or other action with respect to this Indenture or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's Prime Rate plus three percent (3%) or the maximum interest rate permitted by law, whichever is less. In addition, the Bond Insurer reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved.

(l) The notice addresses of the Bond Insurer are:

ALL OF WHICH IS HEREBY ADOPTED BY THE TOWN COUNCIL OF
WESTFIELD, HAMITON COUNTY, INDIANA THIS 10 DAY OF
May, 2004

WESTFIELD TOWN COUNCIL

Voting For

Teresa Otis Skelton

Voting Against

Teresa Otis Skelton

Abstain

Teresa Otis Skelton

Jack Hart


Jack Hart

Jack Hart


David Mikesell


David Mikesell

David Mikesell


Bob Smith

Bob Smith


Bob Smith


Ron Thomas

Ron Thomas

Ron Thomas

ATTEST:


Clerk-Treasurer, Cindy Gossard

This ordinance prepared by
Jerry Rosenberger, Town Manager